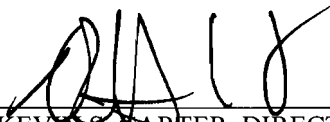


MARCH 7, 2008

THE DIRECTOR OF THE SCHOOL AND INSTITUTIONAL TRUST LANDS ADMINISTRATION TOOK FORMAL ACTION ON MARCH 7, 2008, IN THE TRUST LANDS ADMINISTRATION OFFICE, 675 EAST 500 SOUTH, SUITE 500, SALT LAKE CITY, UTAH 84102-2818, ON THE MINERAL, SURFACE, FEE WAIVER, AND TRUST ACCOUNTING BUSINESS MATTERS AS INDICATED AND WHICH BECOME EFFECTIVE AT 5:00 P.M. ON MARCH 7, 2008.

THESE MINUTES INCLUDE MINERAL ACTIONS AS LISTED ON PAGE 1 TO 2; SURFACE ACTIONS AS LISTED ON PAGES 3 TO 22; ACTIONS CONTAINING FEE WAIVERS AS LISTED ON PAGE 22; AND TRUST ACCOUNTING ACTIONS AS LISTED ON PAGES 22 TO 24.

THESE MINUTES ARE DEEMED THE FINAL AGENCY ACTION CONCERNING THESE MATTERS AND ARE SUBJECT TO REVIEW AND/OR ADJUDICATION PURSUANT TO R850-8 OF THE AGENCY'S RULES. ANY APPEAL OF MATTERS CONTAINED WITHIN THESE MINUTES MUST BE IN WRITING, PURSUANT TO R850-8-1000, AND MUST BE RECEIVED BY THE OFFICE OF THE DIRECTOR BY 5:00 P.M. ON FRIDAY, MARCH 21, 2008. APPEALS NOT FILED BY THAT TIME WILL BE CONSIDERED UNACCEPTABLE AND THE MATTERS WILL BE UNAPPEALABLE.



KEVIN S. CARTER, DIRECTOR
SCHOOL AND INSTITUTIONAL
TRUST LANDS ADMINISTRATION

LESLIE M. WARNER, RECORDS OFFICER

ARCHIVES APPROVAL NO. 7990209

MINERAL ACTIONS

READJUSTMENT OF MINERAL LEASES ML 48978 (SCH FUND)

The above-numbered mineral lease for Clay reached the end of its primary term of five years on February 29, 2008, and is subject to readjustment. The Lessee demonstrated diligent operation of the leasehold by filing a notice of intent to commence mining and obtaining a permit to mine from the Utah Division of Oil Gas & Mining and desires to maintain the lease. The proposed lease readjustment places the lease on the 6/22/05-A generic mineral lease form currently in use by the Trust Lands Administration and establishes certain terms and conditions as follows: 1) The term of the lease is ten years and so long thereafter as the Lessee exhibits commercial production of the leased substances, subject to readjustment at ten year intervals; 2) The annual rental is the greater amount of \$1 per acre or \$500; 3) The annual minimum royalty is \$25 per acre, commencing March 1, 2008; and, 4) The required production royalty rate is the greater amount of 10% Gross Value, f.o.b. mine, or \$0.60 per ton. The Lessee agrees to the readjustment terms and conditions as outlined above, and has submitted annual rental and minimum royalties at the readjusted rates for the new lease year.

ML 48978-OBA
Interpace Holdings, LLC
P.O. Box 12118
Ogden, UT 84412

T6S, R3W, SLB&M.
Section 32: S½SE¼

Tooele
80.00 acres

Upon recommendation of Mr. Blake, the Director approved the readjustment of ML 48978-OBA retroactively to February 29, 2008.

AMENDMENT OF METALLIFEROUS MINERALS LEASE - ML 50771 (SCH)

Through inventory of our lands, it has been found that the county in the above-numbered lease was in error. The lease was issued as follows (affected county is bolded and italicized):

T11S, R9W, SLB&M.
SEC. 32: ALL

MILLARD COUNTY
640.00 ACRES

CORRECTED LEGAL DESCRIPTION:

T11S, R9W, SLB&M.
SEC. 32: ALL

JUAB COUNTY
640.00 ACRES

The parties have agreed that there will be no retroactive refunds or charges to lessee for incorrect descriptions resulting in overpayment or underpayment of rentals. However, any changes to delay rental amounts will be effective immediately and corrected amounts will be due commencing on the next ensuing anniversary date of the lease following the effective date of this amendment and will continue at that rate so long as the lease remains valid and in full force and effect unless the Record Title Lessee is notified otherwise by TLA.

AMENDMENT OF METALLIFEROUS MINERALS LEASE - ML 50771 (SCH) (CONTINUED)

The lease and all other of its terms and conditions remain in full force and effect and are ratified hereby. To the extent necessary to effectuate the intent of the parties stated herein, this amendment shall be deemed to contain present words of grant.

This amendment has been agreed to and executed by the current lessee of record, Inland Explorations US Ltd., Suite 1040, West Georgia Street, Vancouver, BC, Canada, V6E 4H1.

Upon recommendation of Mr. Stokes, the Director approved the above amendment as listed.

INTEREST ASSIGNMENTS – OIL, GAS, AND HYDROCARBON LEASES

Upon recommendation of Ms. Garrison, the Director approved the assignment of 50% interest in and to the leases listed below to Chicago Energy Associates, LLC 475 17th Street, Suite 1200, Denver, CO 80202, by Slate River Resources LLC. No override, but subject to 3.333333% overriding royalty previously reserved. Effective June 1, 2004, the Trust Lands Administration assumes no responsibility in reviewing, collecting, or distributing overriding royalty.

OWNERSHIP BEFORE ASSIGNMENT:***RECORD TITLE:***

***SLATE RIVER RESOURCES LLC – 50%,
MUSTANG FUEL CORPORATION - 50%***

OWNERSHIP AFTER ASSIGNMENT:***RECORD TITLE:***

***CHICAGO ENERGY ASSOCIATES, LLC - 50%,
MUSTANG FUEL CORPORATION - 50%***

....ML 49771 (SCH)....ML 49772 (SCH)....ML 50087 (SCH)....

FULL RELEASE OF DEED OF TRUST, MORTGAGE ASSIGNMENT, SECURITY AGREEMENT, FIXTURE FILING AND FINANCING STATEMENT (THE “MORTGAGE”) FROM ELK RESOURCES INC. TO FIRST AMERICAN TITLE INSURANCE COMPANY OF UTAH, TRUSTEE, FOR THE BENEFIT OF J. ARON & COMPANY, AGENT; ALSO, ASSIGNMENT OF LIENS AND SECURITY INTEREST, FROM J. ARON & COMPANY TO SILVER POINT FINANCE, LLC - ML 47039, ML 47210, ML 47211 (SCH) - OIL, GAS, AND HYDROCARBON

This office is in receipt of the Full Release of Deed of Trust, Mortgage, Assignment, Security Agreement, Fixture Filing and Financing Statement (the “Mortgage”) dated May 11, 2005, from Elk Resources, Inc. to First American Title Insurance Company of Utah, Trustee, for the benefit of J. Aron & Company, Agent, and that certain assignment of liens and security interest dated December 15, 2006, from J. Aron & Company to Silver Point Finance, LLC, dated February 8, 2008, affecting the above-numbered leases.

This item is accepted and submitted by Ms. Garrison for record-keeping purposes only.

SURFACE ACTIONS

GRAZING PERMITS

GRAZING PERMIT NO. 20420-00 - (AMENDMENT - REDUCTION OF AUMS)

Parker Mountain Grazing Association, c/o Gary Hallows, Loa, UT 84747, has requested that the Trust Lands Administration reduce their permitted AUMs by 183.62 on GP 20420-00. This represents 183.62 fall sheep grazing AUMs that the association members cannot use because all sheep have been removed from the allotment. Because there are not any additional cattle AUMs on the Parker Mountain Allotment, Trust Lands Administration staff agrees with this reduction of AUMs. GP 20420 will now contain 6,913 AUMs. The acreage will remain the same. The \$50.00 amendment fee has been submitted. Piute and Wayne Counties. School Fund.

Upon recommendation of Mr. Ron Torgerson, the Director approved the reduction of AUMs for GP 20420-00.

RIGHTS OF ENTRY

RIGHT OF ENTRY NO. 5134 (APPROVAL)

On February 27, 2008, the School and Institutional Trust Lands Administration received an application from Earl Ahtsosie, dba Mussi Café, P.O. Box 127, Montezuma Creek, UT 84534, to operate an existing café located within San Juan County on the following described trust land for a one-year term:

Township 40 South, Range 24 East, SLB&M
Section 32: Within the SW¼

A tract of land contained in the SW¼ of Sec. 32, T40S, R24E, SLB&M, San Juan County, Utah, more particularly described as follows:

Beginning at a point on the North line of Montezuma Creek Subdivision #1, from which point the S¼ Corner on said Sec. 32 bears N 89°57'05" W a distance of 59.87 feet and S 0°09'02" W a distance of 220 feet; thence S 89°57'05" E a distance of 287.09 feet along said North line; thence North a distance of 470.22 feet to the South right-of-way line of State Highway 262; thence N 68°35'08" W a distance of 228.39 feet along said South right-of-way line to a fence line and the prolongation thereof; thence S 3°29'31" W a distance of 94.05 feet along said fence line and prolongation thereof; thence S 20°17'47" W a distance of 47.82 feet along a fence line; thence S 23°57'57" W a distance of 41.29 feet along a fence line to a fence corner; thence N 89°56'44" W a distance of 36.04 feet along a fence line to a fence corner; thence S 0°05'57" E a distance of 375.94 feet along a fence line and the prolongation thereof back to the point of beginning. Containing 3.19 acres, more or less.

This right of entry replaces Special Use Lease Agreement No. 440 which was canceled for non-payment on January 28, 2005, Right of Entry No. 4879 which expired on December 31, 2006, and Right of Entry No. 5022 which expired on December 31, 2007. The Agency plans to sell the trust land located in Montezuma Creek and doesn't want to encumber the land with a long-term lease.

The fee for this right of entry is \$1,000.00 plus a \$50.00 application fee and a \$50.00 processing fee, totaling \$1,100.00. San Juan County. School Fund. Beginning date: January 1, 2008. Expiration date: December 31, 2008.

Upon recommendation of Ms. Jeanine Kleinke, the Director approved Right of Entry No. 5134 for a one-year term.

EASEMENTS**EASEMENT NO. 1319 (APPROVAL)****APPLICANT'S NAME AND ADDRESS:**

Kerr McGee Oil and Gas Onshore LP
1368 South 1200 East
Vernal, UT 84078

LEGAL DESCRIPTION:

Township 10 South, Range 21 East, SLB&M
Section 36: W½NE¼ (within)

A 30 foot wide easement, 15 feet on each side of the following described centerline:

Beginning at a point on the north line of the NW¼NE¼ of Section 36, T10S, R21E, SLB&M, which bears N 89°44'27" E 861.73 feet from the north ¼ corner of said Section 36, thence S 15°28'50" E 25.45 feet; thence S 06°55'42" W 158.83 feet; thence S 23°46'54" W 151.67 feet; thence N 43°37'58" W 57.64 feet; thence S 47°00'49" W 57.51 feet; thence S 42°02'50" W 55.10 feet; thence S 42°06'38" W 88.61 feet; thence S 43°37'07" W 87.91 feet; thence S 36°38'00" W 90.23 feet; thence S 23°40'47" W 53.37 feet; thence S 13°51'56" W 81.93 feet; thence S 08°37'58" E 74.77 feet; thence S 28°12'18" E 51.76 feet; thence S 35°46'03" E 107.00 feet; thence S 32°37'13" E 117.05 feet; thence S 30°21'42" E 115.66 feet; thence S 29°55'27" E 101.50 feet; thence S 26°25'24" E 103.60 feet; thence S 25°05'52" E 106.33 feet; thence S 24°55'57" E 78.45 feet; thence S 23°06'14" E 71.86 feet; thence S 20°18'10" E 80.10 feet; thence S 19°37'26" E 61.79 feet; thence S 24°42'39" E 100.56 feet; thence S 06°46'44" E 50.82 feet; thence S 01°31'56" W 53.56 feet; thence S 26°37'47" E 74.36 feet to a point in the SW¼NE¼ of said Section 36 which bears N 64°57'55" W 1828.90 feet from the east ¼ corner of said Section 36. The side lines of said described easement being shortened or elongated to meet the Grantor's property lines. Basis of bearings is a G.P.S. observation. Contains 1.555 acres, more or less.

COUNTY: Uintah

ACRES: 1.555

FUND: School

PROPOSED ACTION:

The applicant requests an easement to construct, operate, repair, and maintain a 4-inch diameter surface natural gas pipeline. The proposed pipeline will service the NBU #1021-25J Well located on federal lands to the north. The pipeline will parallel an existing access road. The proposed easement corridor is 2,257.42 feet long and 30 feet wide, containing 1.555 acres. The term of the easement will be 30 years.

RELEVANT FACTUAL BACKGROUND:

The Resource Development Coordinating Committee ("RDCC") review was initiated on October 9, 2007. Comments were received from the Department of Environmental Quality/Division of Air Quality, the Utah Geological Survey, and the Uintah County Commission, as follows:

Department of Environmental Quality/Division of Air Quality:

"This proposal may require a permit, known as an Approval Order, from the Executive Secretary of the Air Quality Board if any compressor or pump stations are constructed at the site. If a permit is required, a permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 North 1950 West, Salt Lake City, Utah 84116, for review according to the Utah Air Quality Rule R307-401. Permit: Notice of Intent and Approval Order. The guidelines for preparing an NOI are available online at <http://www.airquality.utah.gov/Permits/FORMS/NOIGuide8.pdf>

EASEMENT NO. 1319 (APPROVAL) (CONTINUED)

"In addition, the project is subject to R307-205-5, Fugitive Dust, since the project could have a short-term impact on air quality due to the fugitive dust that could be generated during the excavation and construction phases of the project. An Approval Order is not required solely for the control of fugitive dust, but steps need to be taken to minimize fugitive dust, such as watering and/or chemical stabilization, providing vegetative or synthetic cover, or windbreaks. A copy of the rules may be found at: www.rules.utah.gov/public/code/r307/r307.htm."

Utah Geological Survey:

"Although there are no paleontological localities recorded in our files for this project area, the Eocene Uinta Formation exposed here has the potential for yielding significant vertebrate fossil localities. The Office of the State Paleontologist, therefore, recommends a paleontological survey be conducted for this project and its easements by a paleontologist with a valid permit."

Uintah County Commission:

"Thank you for the opportunity to comment on the construction, operation, repair, and maintenance of two 4-inch diameter surface natural gas pipelines by Kerr-McGee Oil & Gas Onshore, LP. The two proposed pipelines are located in T10S, R21E, Section 36: W $\frac{1}{2}$ NE $\frac{1}{4}$ (within), and will occupy the same corridor on trust lands, however each will be authorized under a separate easement agreement. The two pipelines will be laid side by side within the easement corridor and will lie parallel to an existing access road. Easement No. 1319 will authorize a 4-inch diameter pipeline to service the NBU #1021-25J Well and Easement No. 1320 will authorize a 4-inch diameter pipeline to service the NBU #1021-25I Well located on federal lands to the north. The proposed easement corridor is 2257.42 feet long and 30 feet wide, containing 1.555 acres.

"Uintah County supports this action, keeping ground disturbance during construction caused by excavation and installation of the pipeline, increase in traffic, equipment, dust, and noise emissions at a minimum.

"We will ask that Kerr-McGee contact Uintah County's Planning & Zoning Department for the necessary county permits, the Road Department if crossing county roads, and the Public Lands Department if road upgrades or maintenance are needed. The document does not mention where the above pipelines begin and end. We understand two pipelines will be placed outside of Uintah County's road rights-of-way.

"We have no further comment at this time, but reserve the right to comment at a later date if warranted."

The applicant has been notified of the comments provided by the RDCC. The comments submitted by the Department of Environmental Quality/Division Air Quality are addressed within paragraph 13 of the easement agreement.

Pursuant to the comments submitted by the Utah Geological Survey, a paleontological survey of the project area was conducted by Stephen D. Sandau, paleontologist for Intermountain Paleo-Consulting (Report No. 07-78). No fossils were discovered on trust lands, therefore it was recommended that no paleontological restrictions be placed upon the development of the project. If any paleontological resources are discovered during construction, a qualified paleontologist should be notified immediately to evaluate the discovery.

The project area has been previously surveyed for cultural resources by Montgomery (U06-MQ-1713, U04-MQ-1484, U05-MQ-1429) with a finding of "Historic Properties Not Affected." The Trust Lands Administration's staff archaeologist and the State Historic Preservation Office ("SHPO") have reviewed the project and concur with this finding.

EASEMENT NO. 1319 (APPROVAL) (CONTINUED)**EVALUATION OF FACTS:**

1. The proposed easement is not located entirely on trust lands.
2. The proposed easement term is for a period of 30 years.
3. The applicant has paid the School and Institutional Trust Lands Administration the fees as determined pursuant to R850-40-600.
4. The proposed easement will not have an unreasonably adverse affect on the developability or marketability of the subject property.

The action qualifies as an exclusion to the narrative record of decision process because it does not warrant the time and expense necessary to complete a full narrative record. Therefore, this summary will constitute the record of decision.

Upon recommendation of Mr. Chris Fausett, the Director approved Easement No. 1319 for a term of 30 years beginning March 1, 2008, and expiring February 28, 2038, with the easement fee being \$1,641.76 plus the \$750.00 application fee. The administrative fee required pursuant to R850-40-1800 has been paid in a one-time payment of \$1,000.00.

EASEMENT NO. 1320 (APPROVAL)**APPLICANT'S NAME AND ADDRESS:**

Kerr McGee Oil and Gas Onshore LP
1368 South 1200 East
Vernal, UT 84078

LEGAL DESCRIPTION:

Township 10 South, Range 21 East, SLB&M
Section 36: W $\frac{1}{2}$ NE $\frac{1}{4}$ (within)

A 30 foot wide easement, 15 feet on each side of the following described centerline:

Beginning at a point on the north line of the NW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 36, T10S, R21E, SLB&M, which bears N 89°44'27" E 861.73 feet from the north $\frac{1}{4}$ corner of said Section 36, thence S 15°28'50" E 25.45 feet; thence S 06°55'42" W 158.83 feet; thence S 23°46'54" W 151.67 feet; thence N 43°37'58" W 57.64 feet; thence S 47°00'49" W 57.51 feet; thence S 42°02'50" W 55.10 feet; thence S 42°06'38" W 88.61 feet; thence S 43°37'07" W 87.91 feet; thence S 36°38'00" W 90.23 feet; thence S 23°40'47" W 53.37 feet; thence S 13°51'56" W 81.93 feet; thence S 08°37'58" E 74.77 feet; thence S 28°12'18" E 51.76 feet; thence S 35°46'03" E 107.00 feet; thence S 32°37'13" E 117.05 feet; thence S 30°21'42" E 115.66 feet; thence S 29°55'27" E 101.50 feet; thence S 26°25'24" E 103.60 feet; thence S 25°05'52" E 106.33 feet; thence S 24°55'57" E 78.45 feet; thence S 23°06'14" E 71.86 feet; thence S 20°18'10" E 80.10 feet; thence S 19°37'26" E 61.79 feet; thence S 24°42'39" E 100.56 feet; thence S 06°46'44" E 50.82 feet; thence S 01°31'56" W 53.56 feet; thence S 26°37'47" E 74.36 feet to a point in the SW $\frac{1}{4}$ NE $\frac{1}{4}$ of said Section 36 which bears N 64°57'55" W 1828.90 feet from the east $\frac{1}{4}$ corner of said Section 36. The side lines of said described easement being shortened or elongated to meet the Grantor's property lines. Basis of bearings is a G.P.S. observation. Contains 1.555 acres, more or less.

COUNTY: Uintah

ACRES: 1.555

FUND: School

EASEMENT NO. 1320 (APPROVAL) (CONTINUED)**PROPOSED ACTION:**

The applicant requests an easement to construct, operate, repair, and maintain a 4-inch diameter surface natural gas pipeline. The proposed pipeline will service the NBU #1021-25I Well located on federal lands to the north. The pipeline will parallel an existing access road. The proposed easement corridor is 2,257.42 feet long and 30 feet wide, containing 1.555 acres. The term of the easement will be 30 years.

RELEVANT FACTUAL BACKGROUND:

The Resource Development Coordinating Committee ("RDCC") review was initiated on October 9, 2007. Comments were received from the Department of Environmental Quality/Division of Air Quality, the Utah Geological Survey, and the Uintah County Commission as follows:

Department of Environmental Quality/Division of Air Quality:

"This proposal may require a permit, known as an Approval Order, from the Executive Secretary of the Air Quality Board if any compressor or pump stations are constructed at the site. If a permit is required, a permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 North 1950 West, Salt Lake City, Utah 84116, for review according to the Utah Air Quality Rule R307-401. Permit: Notice of Intent and Approval Order. The guidelines for preparing an NOI are available online at <http://www.airquality.utah.gov/Permits/FORMS/NOIGuide8.pdf>

"In addition, the project is subject to R307-205-5, Fugitive Dust, since the project could have a short-term impact on air quality due to the fugitive dust that could be generated during the excavation and construction phases of the project. An Approval Order is not required solely for the control of fugitive dust, but steps need to be taken to minimize fugitive dust, such as watering and/or chemical stabilization, providing vegetative or synthetic cover, or windbreaks. A copy of the rules may be found at: www.rules.utah.gov/public/code/r307/r307.htm."

Utah Geological Survey:

"Although there are no paleontological localities recorded in our files for this project area, the Eocene Uinta Formation exposed here has the potential for yielding significant vertebrate fossil localities. The Office of the State Paleontologist, therefore, recommends a paleontological survey be conducted for this project and its easements by a paleontologist with a valid permit."

Uintah County Commission:

"Thank you for the opportunity to comment on the construction, operation, repair, and maintenance of two 4-inch diameter surface natural gas pipelines by Kerr-McGee Oil & Gas Onshore, LP. The two proposed pipelines are located in T10S, R21E, Section 36: W¹/₂NE¹/₄ (within), and will occupy the same corridor on trust lands, however each will be authorized under a separate easement agreement. The two pipelines will be laid side by side within the easement corridor and will lie parallel to an existing access road. Easement No. 1319 will authorize a 4-inch diameter pipeline to service the NBU #1021-25J Well and Easement No. 1320 will authorize a 4-inch diameter pipeline to service the NBU #1021-25I Well located on federal lands to the north. The proposed easement corridor is 2257.42 feet long and 30 feet wide, containing 1.555 acres.

"Uintah County supports this action, keeping ground disturbance during construction caused by excavation and installation of the pipeline, increase in traffic, equipment, dust, and noise emissions at a minimum.

EASEMENT NO. 1320 (APPROVAL) (CONTINUED)

"We will ask that Kerr-McGee contact Uintah County's Planning & Zoning Department for the necessary county permits, the Road Department if crossing county roads, and the Public Lands Department if road upgrades or maintenance are needed. The document does not mention where the above pipelines begin and end. We understand two pipelines will be placed outside of Uintah County's road rights-of-way.

"We have no further comment at this time, but reserve the right to comment at a later date if warranted."

The applicant has been notified of the comments provided by the RDCC. The comments submitted by the Department of Environmental Quality/Division Air Quality are addressed within paragraph 13 of the easement agreement.

Pursuant to the comments submitted by the Utah Geological Survey, a paleontological survey of the project area was conducted by Stephen D. Sandau, paleontologist for Intermountain Paleo-Consulting (Report No. 07-78). No fossils were discovered on trust lands, therefore it was recommended that no paleontological restrictions be placed upon the development of the project. If any paleontological resources are discovered during construction, a qualified paleontologist should be notified immediately to evaluate the discovery.

The project area has been previously surveyed for cultural resources by Montgomery (U06-MQ-1713, U04-MQ-1484, U05-MQ-1429) with a finding of "Historic Properties Not Affected." The Trust Lands Administration's staff archaeologist and the State Historic Preservation Office ("SHPO") have reviewed the project and concur with this finding.

EVALUATION OF FACTS:

1. The proposed easement is not located entirely on trust lands.
2. The proposed easement term is for a period of 30 years.
3. The applicant has paid the School and Institutional Trust Lands Administration the fees as determined pursuant to R850-40-600.
4. The proposed easement will not have an unreasonably adverse affect on the developability or marketability of the subject property.

The action qualifies as an exclusion to the narrative record of decision process because it does not warrant the time and expense necessary to complete a full narrative record. Therefore, this summary will constitute the record of decision.

Upon recommendation of Mr. Chris Fausett, the Director approved Easement No. 1320 for a term of 30 years beginning March 1, 2008, and expiring February 28, 2038, with the easement fee being \$1,641.76 plus the \$750.00 application fee. The administrative fee required pursuant to R850-40-1800 has been paid in a one-time payment of \$1,000.00.

EASEMENT NO. 1321 (APPROVAL)**APPLICANT'S NAME AND ADDRESS:**

Kerr McGee Oil and Gas Onshore LP
1368 South 1200 East
Vernal, UT 84078

LEGAL DESCRIPTION:

Township 10 South, Range 21 East, SLB&M
Section 36: NW¼NW¼ (within)

A 30 foot wide easement, 15 feet on each side of the following described centerline:

Beginning at a point on the north line of the NW¼NW¼ of Section 36, T10S, R21E, SLB&M, which bears S 89°43'43" W 507.40 feet from the northeast corner of the NW¼NW¼ of said Section 36, thence S 30°01'05" W 35.31 feet; thence S 22°08'19" W 136.57 feet; thence S 08°02'40" W 156.76 feet; thence S 21°09'53" W 164.18 feet; thence S 41°44'14" W 163.90 feet; thence S 51°19'13" W 155.04 feet; thence S 65°50'01" W 153.41 feet; thence S 61°28'00" W 150.82 feet; thence S 69°16'35" W 150.58 feet; thence S 70°36'04" W 32.94 feet to a point on the west line of the NW¼NW¼ of said Section 36 which bears S 00°11'41" W 879.78 feet from the northwest corner of said Section 36. The side lines of said described easement being shortened or elongated to meet the Grantor's property lines. Basis of bearings is a G.P.S. observation. Contains 0.895 acres more or less.

COUNTY: Uintah

ACRES: 0.895

FUND: School

PROPOSED ACTION:

The applicant requests an easement to construct, operate, repair, and maintain a 4-inch diameter surface natural gas pipeline and access road. The proposed pipeline and access road will service the NBU #1021-25M Well located on federal lands to the north. The easement corridor is 1,299.51 feet long and 30 feet wide, containing 0.895 acres. The term of the easement will be 30 years.

RELEVANT FACTUAL BACKGROUND:

The Resource Development Coordinating Committee ("RDCC") review was initiated on October 9, 2007. Comments were received from the Department of Environmental Quality/Division of Air Quality, the Utah Geological Survey, and the Uintah County Commission as follows:

Department of Environmental Quality/Division of Air Quality:

"This proposal may require a permit, known as an Approval Order, from the Executive Secretary of the Air Quality Board if any compressor or pump stations are constructed at the site. If a permit is required, a permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 North 1950 West, Salt Lake City, Utah 84116, for review according to the Utah Air Quality Rule R307-401. Permit: Notice of Intent and Approval Order. The guidelines for preparing an NOI are available online at <http://www.airquality.utah.gov/Permits/FORMS/NOIGuide8.pdf>

"In addition, the project is subject to R307-205-5, Fugitive Dust, since the project could have a short-term impact on air quality due to the fugitive dust that could be generated during the excavation and construction phases of the project. An Approval Order is not required solely for the control of fugitive dust, but steps need to be taken to minimize fugitive dust, such as watering and/or chemical stabilization, providing vegetative or synthetic cover, or windbreaks. A copy of the rules may be found at: www.rules.utah.gov/public/code/r307/r307.htm."

EASEMENT NO. 1321 (APPROVAL) (CONTINUED)**Utah Geological Survey:**

"Although there are no paleontological localities recorded in our files for this project area, the Eocene Uinta Formation exposed here has the potential for yielding significant vertebrate fossil localities. The Office of the State Paleontologist, therefore, recommends a paleontological survey be conducted for this project and its easements by a paleontologist with a valid permit."

Uintah County Commission:

"Thank you for the opportunity to comment on the construction, operation, repair, and maintenance of a 4-inch diameter surface natural gas pipeline and access road by Kerr-McGee Oil & Gas Onshore, LP. The proposed pipeline and access road is located in T10S, R21E, Section 36: NW¹/₄NW¹/₄ (within), and will service the NBU #1021-25M Well located on federal lands to the north. The easement corridor is 1299.51 feet long and 30 feet wide, containing 0.895 acres."

"Uintah County supports this action, keeping ground disturbance during construction caused by excavation and installation of the pipeline, increase in traffic, equipment, dust, and noise emissions at a minimum."

"We will ask that Kerr-McGee contact Uintah County's Planning & Zoning Department for the necessary county permits, the Road Department if crossing county roads, and the Public Lands Department if road upgrades or maintenance are needed. The document does not mention where the above pipeline begins and ends."

"We have no further comment at this time, but reserve the right to comment at a later date if warranted."

The applicant has been notified of the comments provided by the RDCC. The comments submitted by the Department of Environmental Quality/Division Air Quality are addressed within paragraph 13 of the easement agreement.

Pursuant to the comments submitted by the Utah Geological Survey, a paleontological survey of the project area was conducted by Stephen D. Sandau, paleontologist for Intermountain Paleo-Consulting (Report No. 07-78). No fossils were discovered on trust lands, therefore it was recommended that no paleontological restrictions be placed upon the development of the project. If any paleontological resources are discovered during construction, a qualified paleontologist should be notified immediately to evaluate the discovery.

The project area has been previously surveyed for cultural resources by Montgomery (U06-MQ-1713s) with a finding of "Historic Properties Not Affected." The Trust Lands Administration's staff archaeologist and the State Historic Preservation Office ("SHPO") have reviewed the project and concur with this finding.

In order to protect the potential for future oil shale extraction from lands underlying the easement corridor, a relocation clause will be included in the easement agreement.

EVALUATION OF FACTS:

1. The proposed easement is not located entirely on trust lands.
2. The proposed easement term is for a period of 30 years.
3. The applicant has paid the School and Institutional Trust Lands Administration the fees as determined pursuant to R850-40-600.
4. The proposed easement will not have an unreasonably adverse affect on the developability or marketability of the subject property.

EASEMENT NO. 1321 (APPROVAL) (CONTINUED)

The action qualifies as an exclusion to the narrative record of decision process because it does not warrant the time and expense necessary to complete a full narrative record. Therefore, this summary will constitute the record of decision.

Upon recommendation of Mr. Chris Fausett, the Director approved Easement No. 1321 for a term of 30 years beginning March 1, 2008, and expiring February 28, 2038, with the easement fee being \$1,417.65 plus the \$750.00 application fee. The administrative fee required pursuant to R850-40-1800 has been paid in a one-time payment of \$1,000.00.

EASEMENT NO. 1322 (APPROVAL)**APPLICANT'S NAME AND ADDRESS:**

Kerr McGee Oil and Gas Onshore LP
1368 South 1200 East
Vernal, UT 84078

LEGAL DESCRIPTION:

Township 10 South, Range 21 East, SLB&M
Section 36: S½NE¼, NE¼NE¼ (within)

A 30 foot wide easement, 15 feet on each side of the following described centerline:

Beginning at a point in the SW¼NE¼ of Section 36, T10S, R21E, SLB&M, which bears S 16°04'54" E 2040.35 feet from the north ¼ corner of said Section 36, thence N 84°39'11" W 73.63 feet; thence N 04°23'31" E 179.14 feet; thence S 86°06'59" E 243.97 feet; thence S 75°46'31" E 61.41 feet; thence S 64°27'28" E 88.30 feet; thence S 61°24'43" E 66.68 feet; thence S 65°40'29" E 181.92 feet; thence S 72°28'39" E 63.40 feet; thence S 85°43'47" E 95.87 feet; thence N 81°36'00" E 83.64 feet; thence N 67°51'30" E 113.64 feet; thence N 53°38'36" E 152.18 feet; thence N 42°11'15" E 88.84 feet; thence N 35°18'59" E 181.81 feet; thence N 29°41'49" E 120.02 feet; thence N 36°32'12" E 73.78 feet; thence N 71°04'22" E 17.54 feet; thence S 65°24'19" E 38.94 feet; thence S 41°26'54" E 50.86 feet; thence S 53°18'53" E 52.71 feet; thence S 49°11'35" E 110.97 feet; thence S 53°00'52" E 117.53 feet; thence S 67°37'11" E 47.34 feet; thence S 71°46'43" E 38.11 feet; thence N 57°06'59" E 85.92 feet; thence N 50°19'42" E 52.59 feet; thence N 39°38'45" E 44.53 feet; thence N 26°33'38" E 67.05 feet; thence N 26°13'09" E 96.68 feet; thence N 23°16'55" E 94.19 feet; thence N 17°17'31" E 94.26 feet; thence N 20°41'11" E 55.14 feet; thence N 25°51'59" E 73.90 feet; thence N 31°34'52" E 51.45 feet; thence N 48°29'22" E 68.39 feet; thence N 59°25'15" E 18.69 feet to a point on the east line of the NE¼NE¼ of said Section 36, which bears S 00°08'30" E 1065.63 feet from the northeast corner of said Section 36. The side lines of said described easement being shortened or elongated to meet the Grantor's property lines. Basis of bearings is a G.P.S. observation. Contains 2.166 acres more or less.

Township 10 South, Range 22 East, SLB&M
Section 32: S½SW¼ (within)

A 30 foot wide easement, 15 feet on each side of the following described centerline:

Beginning at a point on the west line of the SW¼SW¼ of Section 32, T10S, R22E, SLB&M, which bears N 00°00'38" W 884.51 feet from the southwest corner of said Section 32, thence S 42°15'36" E 8.23 feet; thence S 66°26'42" E 70.04 feet; thence S 74°50'01" E 21.08 feet; thence N 88°59'04" E 120.01 feet; thence S 87°45'30" E 95.14 feet; thence S 88°59'29" E 104.65 feet; thence N 82°53'07" E 220.42 feet; thence N 81°36'09" E 127.25 feet; thence N 85°28'37" E 36.60 feet; thence S 85°18'56" E 53.32 feet; thence S 75°02'36" E 67.95 feet; thence S

EASEMENT NO. 1322 (APPROVAL) (CONTINUED)

71°54'50" E 143.19 feet; thence S 73°43'30" E 156.15 feet; thence N 67°52'57" E 26.93 feet; thence N 30°35'53" E 37.21 feet; thence N 09°36'10" E 80.04 feet; thence N 18°48'06" E 32.97 feet; thence N 15°54'42" E 48.64 feet; thence S 79°49'51" E 35.67 feet; thence N 87°42'04" E 48.51 feet; thence N 66°50'45" E 42.46 feet; thence N 71°32'09" E 27.28 feet; thence N 26°35'25" E 11.25 feet to a point in the SE¼SW¼ of said Section 32 which bears N 50°30'26" W 1577.96 feet from the south ¼ corner of said Section 32. The side lines of said described easement being shortened or elongated to meet the Grantor's property lines. Basis of bearings is a G.P.S. observation. Contains 1.112 acres, more or less.

COUNTY: Uintah

ACRES: 3.278

FUND: School

PROPOSED ACTION:

The applicant requests an easement to construct, operate, repair, and maintain a 6-inch diameter surface natural gas pipeline. The proposed pipeline will service the NBU #1021-36G Well, which is located on trust lands. The pipeline will also carry off-lease gas, therefore an easement is required. The proposed easement corridor is 4,760.01 feet long and 30 feet wide, containing 3.278 acres. The term of the easement will be 30 years.

RELEVANT FACTUAL BACKGROUND:

The Resource Development Coordinating Committee ("RDCC") review was initiated on October 9, 2007. Comments were received from the Department of Environmental Quality/Division of Air Quality, the Utah Geological Survey, and the Uintah County Commission as follows:

Department of Environmental Quality/Division of Air Quality:

"This proposal may require a permit, known as an Approval Order, from the Executive Secretary of the Air Quality Board if any compressor or pump stations are constructed at the site. If a permit is required, a permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 North 1950 West, Salt Lake City, Utah 84116, for review according to the Utah Air Quality Rule R307-401. Permit: Notice of Intent and Approval Order. The guidelines for preparing an NOI are available online at <http://www.airquality.utah.gov/Permits/FORMS/NOIGuide8.pdf>

"In addition, the project is subject to R307-205-5, Fugitive Dust, since the project could have a short-term impact on air quality due to the fugitive dust that could be generated during the excavation and construction phases of the project. An Approval Order is not required solely for the control of fugitive dust, but steps need to be taken to minimize fugitive dust, such as watering and/or chemical stabilization, providing vegetative or synthetic cover, or windbreaks. A copy of the rules may be found at: www.rules.utah.gov/public/code/r307/r307.htm."

Utah Geological Survey:

"Although there are no paleontological localities recorded in our files for this project area, the Eocene Uinta Formation exposed here has the potential for yielding significant vertebrate fossil localities. The Office of the State Paleontologist, therefore, recommends a paleontological survey be conducted for this project and its easements by a paleontologist with a valid permit."

EASEMENT NO. 1322 (APPROVAL) (CONTINUED)**Uintah County Commission:**

"Thank you for the opportunity to comment on the construction, operation, repair, and maintenance of a 6-inch diameter surface natural gas pipeline by Kerr-McGee Oil & Gas Onshore, LP. The proposed easement is located in T10S, R21E, Section 36: S½NE¼, NE¼NE¼ (within), and T10S, R22E, Section 32: S½SW¼ (within), and will service the NBU #1021-36G Well located on trust lands. The proposed easement corridor is 4,760.01 feet long and 30 feet wide, containing 3.278 acres.

"Uintah County supports this action, keeping ground disturbance during construction caused by excavation and installation of the pipeline, increase in traffic, equipment, dust, and noise emissions at a minimum.

"We will ask that Kerr-McGee contact Uintah County's Planning & Zoning Department for the necessary county permits, the Road Department if crossing county roads, and the Public Lands Department if road upgrades or maintenance are needed. The document does not mention where the above pipeline begins and ends.

"We have no further comment at this time, but reserve the right to comment at a later date if warranted."

The applicant has been notified of the comments provided by the RDCC. The comments submitted by the Department of Environmental Quality/Division Air Quality are addressed within paragraph 13 of the easement agreement.

Pursuant to the comments submitted by the Utah Geological Survey, a paleontological survey of the project area was conducted by Stephen D. Sandau, paleontologist for Intermountain Paleo-Consulting (Report No. 07-288). No fossils were discovered on trust lands, therefore it was recommended that no paleontological restrictions be placed upon the development of the project. If any paleontological resources are discovered during construction, a qualified paleontologist should be notified immediately to evaluate the discovery.

The project area has been previously surveyed for cultural resources by Montgomery (U06-MQ-1713, U04-MQ-1484, U06-MQ-0387 and U02-MQ-0567) with a finding of "Historic Properties Not Affected." The Trust Lands Administration's staff archaeologist and the State Historic Preservation Office ("SHPO") have reviewed the project and concur with this finding.

In order to protect the potential for future oil shale extraction from lands underlying the easement corridor, a relocation clause will be included in the easement agreement.

EVALUATION OF FACTS:

1. The proposed easement is not located entirely on trust lands.
2. The proposed easement term is for a period of 30 years.
3. The applicant has paid the School and Institutional Trust Lands Administration the fees as determined pursuant to R850-40-600.
4. The proposed easement will not have an unreasonably adverse affect on the developability or marketability of the subject property.

The action qualifies as an exclusion to the narrative record of decision process because it does not warrant the time and expense necessary to complete a full narrative record. Therefore, this summary will constitute the record of decision.

Upon recommendation of Mr. Chris Fausett, the Director approved Easement No. 1322 for a term of 30 years beginning March 1, 2008, and expiring February 28, 2038, with the easement fee being \$3,461.83 plus the \$750.00 application fee. The administrative fee required pursuant to R850-40-1800 has been paid in a one-time payment of \$1,000.00.

EASEMENT NO. 1326 (APPROVAL)**APPLICANT'S NAME AND ADDRESS:**

ETC Canyon Pipeline, LLC
1600 Broadway, Suite 1900
Denver, Colorado 80202

LEGAL DESCRIPTION:

Township 11 South, Range 23 East, SLB&M
Section 36: W½SE¼ (within)

A 30 foot wide easement, 15 feet on each side of the following described centerline:

Beginning at a point on the south line of the SW¼SE¼ of Section 36, T11S, R23E, SLB&M, which bears S 89°57'32" E 717.01 feet from the south ¼ corner of said Section 36, thence N 03°11'10" W 121.27 feet; thence N 22°50'23" E 138.42 feet; thence N 24°32'49" E 58.75 feet; thence N 21°30'01" E 42.59 feet; thence N 25°04'55" E 50.48 feet; thence N 33°08'15" E 75.39 feet; thence N 33°13'45" E 66.60 feet; thence N 37°59'37" E 132.48 feet; thence N 36°29'32" E 107.72 feet; thence N 23°17'36" E 102.69 feet; thence N 18°28'44" E 182.61 feet; thence N 12°05'03" E 140.70 feet; thence N 07°26'26" W 55.36 feet; thence N 06°51'18" W 98.12 feet; thence N 06°04'44" W 114.16 feet; thence N 07°42'47" W 87.27 feet; thence N 12°58'06" W 128.12 feet; thence N 31°26'10" W 19.24 feet; thence N 32°12'20" W 34.31 feet to a point in the NW¼SE¼ of said Section 36 which bears S 56°49'32" W 1847.67 feet from the east ¼ corner of said Section 36. The side lines of said described easement being shortened or elongated to meet the Grantor's property lines. Basis of bearings is a G.P.S. observation. Contains 1.21 acres more or less.

COUNTY: Uintah

ACRES: 1.21

FUND: School

PROPOSED ACTION:

The applicant requests an easement to construct, operate, repair, and maintain a 4-inch diameter surface pipeline. The proposed pipeline will service the McElvain Federal HRF #1-2 Well. The pipeline will connect this well to the existing Bitter Creek 8-inch jumper pipeline. The proposed easement corridor is 1,756.28 feet long and 30 feet wide, containing 1.21 acres. The term of the easement will be 20 years.

RELEVANT FACTUAL BACKGROUND:

The Resource Development Coordinating Committee ("RDCC") review was initiated on October 24, 2007. Comments were received from the Department of Environmental Quality/Division of Air Quality and the Uintah County Commission as follows:

Department of Environmental Quality/Division of Air Quality:

"This proposal may require a permit, known as an Approval Order, from the Executive Secretary of the Air Quality Board if any compressor or pump stations are constructed at the site. If a permit is required, a permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 North 1950 West, Salt Lake City, Utah 84116, for review according to the Utah Air Quality Rule R307-401. Permit: Notice of Intent and Approval Order. The guidelines for preparing an NOI are available online at <http://www.airquality.utah.gov/Permits/FORMS/NOIGuide8.pdf>

EASEMENT NO. 1326 (APPROVAL) (CONTINUED)

"In addition, the project is subject to R307-205-5, Fugitive Dust, since the project could have a short-term impact on air quality due to the fugitive dust that could be generated during the excavation and construction phases of the project. An Approval Order is not required solely for the control of fugitive dust, but steps need to be taken to minimize fugitive dust, such as watering and/or chemical stabilization, providing vegetative or synthetic cover, or windbreaks. A copy of the rules may be found at: www.rules.utah.gov/public/code/r307/r307.htm."

Uintah County Commission:

"Thank you for the opportunity to comment on the construction, operation, repair, and maintenance of a 4-inch diameter surface natural gas pipeline by ETC Canyon Pipeline, LLC. The proposed pipeline is located in T11S, R23E, Section 36: W½SE¼ (within), and will service the proposed McElvain Federal HRF #1-2 Well. The pipeline will connect this well to the existing Bitter Creek 8-inch jumper pipeline. The proposed pipeline corridor is 1,756.28 feet long and 30 feet wide, containing 1.21 acres.

"Uintah County supports this action, keeping ground disturbance during construction caused by excavation and installation of the pipeline, increase in traffic, equipment, dust, and noise emissions at a minimum.

"We will ask that ETC Canyon Pipeline, LLC contact Uintah County's Planning & Zoning Department for the necessary county permits, the Road Department if crossing county roads, and the Public Lands Department if road upgrades or maintenance are needed.

"We have no further comment at this time, but reserve the right to comment at a later date if warranted."

The applicant has been notified of the comments provided by the RDCC. The comments submitted by the Department of Environmental Quality/Division Air Quality are addressed within paragraph 13 of the easement agreement.

A paleontological survey of the project area was conducted by Stephen D. Sandau, paleontologist for Intermountain Paleo-Consulting (Report No. 07-204). No fossils were discovered on trust lands, therefore it was recommended that no paleontological restrictions be placed upon the development of the project. If any paleontological resources are discovered during construction, a qualified paleontologist should be notified immediately to evaluate the discovery.

The project area has been previously surveyed for cultural resources by Montgomery (U-07-MQ-1100b,s) with a finding of "Historic Properties Not Affected." The Trust Lands Administration's staff archaeologist and the State Historic Preservation Office ("SHPO") have reviewed the project and concur with this finding.

In order to protect the potential for future oil shale extraction from lands underlying the easement corridor, a relocation clause will be included in the easement agreement.

Trust Lands Administration staff has indicated that gilsonite veins trend toward the lands underlying the easement corridor. Staff has requested that if new gilsonite veins are discovered during construction of the pipeline, the discovery should be reported to the Trust Lands Administration immediately. The applicant has been notified of this request.

EASEMENT NO. 1326 (APPROVAL) (CONTINUED)**EVALUATION OF FACTS:**

1. The proposed easement is not located entirely on trust lands.
2. The proposed easement term is for a period of 20 years.
3. The applicant has paid the School and Institutional Trust Lands Administration the fees as determined pursuant to R850-40-600.
4. The proposed easement will not have an unreasonably adverse affect on the developability or marketability of the subject property.

The action qualifies as an exclusion to the narrative record of decision process because it does not warrant the time and expense necessary to complete a full narrative record. Therefore, this summary will constitute the record of decision.

Upon recommendation of Mr. Chris Fausett, the Director approved Easement No. 1326 for a term of 20 years beginning March 1, 2008, and expiring February 28, 2028, with the easement fee being \$1,277.29 plus the \$750.00 application fee. The administrative fee required pursuant to R850-40-1800 has been paid in a one-time payment of \$1,000.00.

EASEMENT NO. 1328 (APPROVAL)**APPLICANT'S NAME AND ADDRESS:**

Forest Oil Corporation
707 17th Street, Suite 3600
Denver, Colorado 80202

LEGAL DESCRIPTION:

Township 6 South, Range 23 East, SLB&M
Section 32: W½W½ (within)

A 55 foot wide easement located in the W½W½ of Section 32, T6S, R23E, SLB&M, the limits of said corridor being 15 feet on the right side and 40 feet on the left side of the following described survey line:

Beginning at a point on the south line of the SW¼ of Section 32, T6S, R23E, SLB&M, which bears S 89°59'20" E 948.24 feet from the southwest corner of said Section 32, thence N 08°25'27" E 92.54 feet; thence N 02°56'11" E 221.86 feet; thence N 01°59'49" W 117.98 feet; thence S 59°33'26" W 64.91 feet; thence N 58°25'49" W 269.48 feet; thence N 22°09'40" W 251.46 feet; thence N 26°01'38" W 184.62 feet; thence N 43°21'11" W 126.19 feet; thence N 47°14'04" W 313.34 feet; thence N 15°22'07" W 171.43 feet; thence N 24°05'02" E 328.50 feet; thence N 31°46'24" E 876.97 feet; thence N 03°35'28" E 274.76 feet; thence N 00°54'08" W 370.69 feet; thence N 06°41'39" W 166.56 feet; thence N 37°47'03" E 158.74 feet; thence N 38°12'51" E 168.92 feet; thence N 38°07'48" E 230.48 feet; thence N 27°45'26" E 185.56 feet; thence N 27°38'37" E 150.01 feet; thence N 24°01'41" E 171.42 feet; thence N 05°21'05" W 270.72 feet; thence N 04°26'09" W 232.85 feet; thence N 02°03'44" W 273.36 feet; thence N 03°49'15" W 334.82 feet; thence N 07°31'11" W 13.68 feet to a point on the north line of the NW¼ of said Section 32 which bears S 89°58'50" E 1231.78 feet from the northwest corner of said Section 32. Basis of bearings is the said south line of the SW¼ of Section 32 which is taken from global positioning satellite observations to bear N 89°59'20" W a measured distance of 2640.49 feet. Contains 7.60 acres more or less.

COUNTY: Uintah

ACRES: 7.60

FUND: School

EASEMENT NO. 1328 (APPROVAL) (CONTINUED)**PROPOSED ACTION:**

The applicant requests an easement to construct, operate, repair, and maintain a 4-inch diameter buried pipeline and an access road. The proposed pipeline and access road will be used to service the North Walker Hollow Unit H 6-7-23 Well located on federal lands to the south. The pipeline will connect into another proposed pipeline on federal lands to the north. The proposed easement corridor is 6,021.85 feet long and 55 feet wide, containing 7.60 acres. The term of the easement will be 30 years.

RELEVANT FACTUAL BACKGROUND:

The Resource Development Coordinating Committee ("RDCC") review was initiated on October 25, 2007. Comments were received from the Department of Environmental Quality/Division of Air Quality, the Utah Geological Survey, and the Uintah County Commission as follows:

Department of Environmental Quality/Division of Air Quality:

"This proposal may require a permit, known as an Approval Order, from the Executive Secretary of the Air Quality Board if any compressor or pump stations are constructed at the site. If a permit is required, a permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 North 1950 West, Salt Lake City, Utah 84116, for review according to the Utah Air Quality Rule R307-401. Permit: Notice of Intent and Approval Order. The guidelines for preparing an NOI are available online at <http://www.airquality.utah.gov/Permits/FORMS/NOIGuide8.pdf>

"In addition, the project is subject to R307-205-5, Fugitive Dust, since the project could have a short-term impact on air quality due to the fugitive dust that could be generated during the excavation and construction phases of the project. An Approval Order is not required solely for the control of fugitive dust, but steps need to be taken to minimize fugitive dust, such as watering and/or chemical stabilization, providing vegetative or synthetic cover, or windbreaks. A copy of the rules may be found at: www.rules.utah.gov/public/code/r307/r307.htm."

Utah Geological Survey:

"Although there are no paleontological localities recorded in our files for this project area, the Eocene Uinta Formation exposed here has the potential for yielding significant vertebrate fossil localities. The Office of the State Paleontologist, therefore, recommends a paleontological survey be conducted for this project and its easements by a paleontologist with a valid permit."

Uintah County:

"Thank you for the opportunity to comment on the construction, operation, repair, and maintenance of a 4-inch diameter buried natural gas pipeline and access road by Forest Oil Corporation. The proposed pipeline is located in T6S, R23E, Section 32: W½W½ (within), and will be used to service the North Walker Hollow Unit H 6-7-23 Well located on federal lands to the south. The pipeline will connect into another proposed pipeline on federal lands to the north. The proposed easement corridor is 6,021.85 feet long and 55 feet wide, containing 7.60 acres.

"Uintah County supports this action, keeping ground disturbance during construction caused by clearing and grading of the road footprint, excavation and installation of the pipeline, increase in traffic, equipment, dust, and noise emissions at a minimum.

EASEMENT NO. 1328 (APPROVAL) (CONTINUED)

"We will ask that Forest Oil Corporation contact Uintah County's Planning & Zoning Department for the necessary County permits, the Road Department if crossing county roads, and the Public Lands Department if road upgrades or maintenance is needed.

"We have no further comment at this time, but reserve the right to comment at a later date if warranted."

The applicant has been notified of the comments provided by the RDCC. The comments submitted by the Department of Environmental Quality/Division Air Quality are addressed within paragraph 13 of the easement agreement.

Pursuant to the comments submitted by the Utah Geological Survey, a paleontological survey of the project area was conducted by Stephen D. Sandau, paleontologist for Intermountain Paleo-Consulting (Report No. 07-208). No fossils were discovered on trust lands, therefore it was recommended that no paleontological restrictions be placed upon the development of the project. If any paleontological resources are discovered during construction, a qualified paleontologist should be notified immediately to evaluate the discovery.

The project area has been previously surveyed for cultural resources by Sagebrush Consultants (U-07-SJ-1105b,s) with a finding of "Historic Properties Not Affected." The Trust Lands Administration's staff archaeologist and the State Historic Preservation Office ("SHPO") have reviewed the project and concur with this finding.

EVALUATION OF FACTS:

1. The proposed easement is not located entirely on trust lands.
2. The proposed easement term is for a period of 30 years.
3. The applicant has paid the School and Institutional Trust Lands Administration the fees as determined pursuant to R850-40-600.
4. The proposed easement will not have an unreasonably adverse affect on the developability or marketability of the subject property.

The action qualifies as an exclusion to the narrative record of decision process because it does not warrant the time and expense necessary to complete a full narrative record. Therefore, this summary will constitute the record of decision.

Upon recommendation of Mr. Chris Fausett, the Director approved Easement No. 1328 for a term of 30 years beginning March 1, 2008, and expiring February 28, 2038, with the easement fee being \$6,569.29 plus the \$750.00 application fee. The administrative fee required pursuant to R850-40-1800 has been paid in a one-time payment of \$1,000.00.

EASEMENT NO. 1310 (CORRECTION OF DIRECTOR'S MINUTES DATED FEBRUARY 22, 2008)

Easement No. 1310, issued to Enduring Resources, LLC, 475 17th Street, Suite 1500, Denver, Colorado 80202, was approved on the Director's Minutes dated February 22, 2008. It has been determined the township of the easement was listed in the legal description incorrectly as Township 11 South. The correct township is Township 10 South. The corrected legal description is as follows:

Township 10 South, Range 22 East, SLB&M
Section 36: SW $\frac{1}{4}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$ (within)

A 40 foot wide easement, the centerline of which is described as follows:

EASEMENT NO. 1310 (CORRECTION OF DIRECTOR'S MINUTES DATED FEBRUARY 22, 2008)
(CONTINUED)

Beginning at a point on the north line of the SW $\frac{1}{4}$ of Section 36, **Township 10 South**, Range 22 East, Salt Lake Base & Meridian, which bears S 89°51'17" E 449.53 feet from the west $\frac{1}{4}$ corner of said section, thence S 47°47'57" W 82.47 feet; thence S 50°11'03" W 226.79 feet; thence S 74°25'46" W 222.69 feet to a point on the west line of the said SW $\frac{1}{4}$ which bears S 00°03'42" W 261.53 feet from the said west $\frac{1}{4}$ corner. Basis of bearings is the south line of the SW $\frac{1}{4}$ of said section which is taken from global positioning satellite observations to bear N 89°48'09" W a measured distance of 2621.08 feet. Contains 0.49 acres more or less.

Also, beginning at a point on the north line of the SW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 36, **Township 10 South**, Range 22 East, Salt Lake Base & Meridian, which bears S 35°50'12" E 1614.71 feet from the northwest corner of said section, thence S 40°49'47" W 164.47 feet; thence S 47°51'34" W 186.67 feet; thence S 63°08'59" W 165.94 feet; thence S 33°50'09" W 84.58 feet; thence S 29°46'25" E 329.11 feet; thence S 27°37'30" E 191.67 feet; thence S 14°15'24" W 138.53 feet; thence S 32°34'26" W 237.75 feet; thence S 47°47'57" W 182.25 feet to a point on the south line of the NW $\frac{1}{4}$ of said section which bears S 89°51'17" E 449.53 feet from the west $\frac{1}{4}$ corner of said section. Basis of bearings is the west line of the NW $\frac{1}{4}$ of said section which is taken from global positioning satellite observations to bear N 00°13'03" W a measured distance of 2615.33 feet. Contains 1.54 acres more or less.

Also, beginning at a point in the SW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 36, **Township 10 South**, Range 22 East, Salt Lake Base & Meridian, which bears N 76°14'29" E 618.84 feet from the west $\frac{1}{4}$ corner of said section, thence S 52°09'50" E 44.01 feet to a point in the said SW $\frac{1}{4}$ NW $\frac{1}{4}$ which bears N 79°17'47" E 647.10 feet from the said west $\frac{1}{4}$ corner. Basis of bearings is the west line of the NW $\frac{1}{4}$ of said section which is taken from global positioning satellite observations to bear N 00°13'03" W a measured distance of 2615.33 feet. Contains 0.04 acres more or less.

It has also been determined that the expiration date of this easement was listed in the minutes incorrectly as **February 28, 2028**. The correct expiration date is **February 28, 2038**.

Upon recommendation of Mr. Chris Fausett, the Director approved the correction for Easement 1310.

EASEMENT NO. 1311 (CORRECTION OF DIRECTOR'S MINUTES DATED FEBRUARY 22, 2008)

Easement No. 1311, issued to Enduring Resources, LLC, 475 17th Street, Suite 1500, Denver, Colorado 80202, was approved on the Director's Minutes dated February 22, 2008. The expiration date of this easement was listed in the minutes incorrectly as **February 28, 2028**. The correct expiration date is **February 28, 2038**.

Upon recommendation of Mr. Chris Fausett, the Director approved the correction for Easement 1311.

SPECIAL USE LEASE AGREEMENTS**SPECIAL USE LEASE AGREEMENT NO. 1491 (RELINQUISHMENT AND PARTIAL REFUND OF CASH BOND)**

The lessee of SULA 1491, Fellowship for Strengthening the Future of Families, Attn. Don Foutz and Connie Foutz, P.O. Box 158, Hanksville, UT 84734, has requested that the above-referenced lease be relinquished. The lease site is located in Wayne County. School Fund.

The lease was approved in 2007, with an effective beginning date of March 1, 2007. At the time of approval, the lessee had submitted the \$250.00 application fee, a \$700.00 processing fee, and the first year's rental amount of \$2,000.00. The lessee also submitted a \$5,000.00 cash bond for performance and reclamation. During May, 2007, the lessee called and indicated that there were problems with the contractor and the proposed project, and that it had decided not to build the site but would pursue an alternate plan and another location not on trust lands, and verbally requested the lease be canceled. The lessee was informed by staff that it must submit a written request to relinquish the lease. The lessee apparently forgot about the written request until February, 2008, when it received the courtesy billing for the upcoming March, 2008, annual payment (second year payment). The lessee contacted the Trust Lands Administration and was told again to submit a written request. The written request was received February 18, 2008.

Staff reviewed the lease with legal counsel, considering the lessee's relinquishment request. The lease contract does not contain a specific termination provision; however, staff is recommending to the Director that a relinquishment of the lease be approved, and that a relinquishment settlement amount be assessed subject to the terms of the current standard contract termination clause now in use in most of the telecommunication leases, which reads as follows:

Termination. LESSEE may terminate upon one year's written notice, provided LESSEE is not in default at the time of providing such notice, and further provided that in the event LESSEE terminates for reasons other than default or breach by LESSOR, LESSEE pays LESSOR a liquidated damages fee in an amount equal to two (2) years' annual base rental and any additional sublease rental then in effect. The liquidated damages fee shall be provided to the LESSOR at the time of providing written notice of termination."

The amount the Trust Lands Administration is recommending be charged to allow a relinquishment of the lease contract is as follows: The first year's rental of \$2,000.00 (paid in March, 2007), plus the second year's rental of \$2,000.00 (to be deducted from the \$5,000.00 performance and reclamation cash bond). It should be noted that the one-time \$250.00 application fee and the one-time \$700.00 lease contract processing charge paid at the time the lease was approved in 2007, are amounts that are non-refundable and not applicable for credit toward any amount of rental requirement/liquidated damages settlement fee.

Partial Refund of Bond: \$3,000.00 of the \$5,000.00 cash bond shall be refunded to the applicant. The site was not constructed and only one small test hole was dug and has been reclaimed.

The lessee was informed of the proposed lease relinquishment settlement terms and amounts and has responded in writing that the proposed settlement is satisfactory. It should be noted that the lessee is a non-profit entity with minimal funds. The proposed site may have been difficult to operate since there are no utilities in the area. It would have needed a site-generated power source making the site an unlikely candidate for another related use from another competing applicant. Therefore, the lease did not interfere with the Trust Land Administration's ability to lease the site for another opportunity.

This action is not considered substantive and does not warrant the time and expense necessary to complete a full narrative record of decision. Therefore, this summary will constitute the record of decision.

Upon recommendation of Mr. Gary Bagley, the Director approved the relinquishment of SULA 1491 and ordered a partial refund of the cash bond amounting to \$3,000.00, with \$2,000.00 of the bond being forfeited to the Trust Lands Administration as part of the relinquishment settlement.

SPECIAL USE LEASE AGREEMENT NO. 1570 (CORRECTION TO DIRECTOR'S MINUTES DATED FEBRUARY 8, 2008)

SULA 1570 was approved on the Director's Minutes dated February 8, 2008. The minute entry contained an erroneous reference to rules under the subheading Evaluation of Facts. The paragraph under Evaluation of Facts should be replaced with the following paragraph:

"Competing applications were solicited pursuant to R850-30-500(2) and no competing applications were received. The applicant was notified of the need to submit a sealed bid pursuant to R850-30-510(1)(a)(i). The applicant submitted a sealed bid in the amount of \$12,500.00 per year. This amount meets the fair market value requirement of R850-30-400(1). The lease will contain a clause providing for escalation of the annual rental fee at the end of each five-year period."

Grand County. School Fund.

This item was submitted by Mr. Kurt Higgins for record-keeping purposes.

SPECIAL USE LEASE AGREEMENT NO. 766 (REFUND OF RENTAL)

SULA 766 was canceled on the September 28, 2007, Director's Minutes because the land had been sold under Certificate of Sale No. 24759. The effective date of the certificate of sale is October 1, 2007. The lessee, Washington City, 111 North 100 East, Washington, UT 84780, paid the full rental on January 1, 2007. **The pro-rated rental of \$350.44 needs to be refunded to the City.** Washington County. School Fund.

Upon recommendation of Mr. Lou Brown, the Director approved the **refund of the \$350.44 pro-rated rental.**

SPECIAL USE LEASE AGREEMENT NO. 655 (REFUND OF RENTAL)

SULA 655 was canceled on the September 28, 2007, Director's Minutes because the land had been sold under Certificate of Sale No. 24759. The effective date of the certificate of sale is October 1, 2007. The lessee, Washington City, 111 North 100 East, Washington, UT 84780, paid the full rental of \$19,942.00 on November 1, 2007. This payment needs to be refunded to the City. Washington County. School Fund.

Upon recommendation of Mr. Lou Brown, the Director approved the **refund of the \$19,942.00 rental.**

SPECIAL USE LEASE AGREEMENT NO. 1083 (CANCELLATION AND REFUND OF RENTAL)

The property involved with this lease was sold to Washington City under Certificate of Sale No. 24759. The city has purchased all of the land that was under their various leases. The effective date of the certificate of sale is October 1, 2007. The lessee, Washington City, 111 North 100 East, Washington, UT 84780, paid the full rental plus late fees on July 1, 2007. **The pro-rated rental of \$823.60 needs to be refunded** and the lease needs to be canceled. Washington County. School Fund.

Upon recommendation of Mr. Lou Brown, the Director approved the **refund of the \$823.60 pro-rated rental fee** and the cancellation of SULA 1083.

SPECIAL USE LEASE AGREEMENT NO. 1311 (REFUND OF RENTAL)

SULA 1311 was canceled on the September 28, 2007, Director's Minutes because the land was sold under Certificate of Sale No. 24759. The effective date of the certificate of sale is October 1, 2007. The lessee, Washington City, 111 North 100 East, Washington, UT 84780, paid the full rental on June 1, 2007. **The pro-rated rental of \$486.64 needs to be refunded.** Washington County. School Fund.

Upon recommendation of Mr. Lou Brown, the Director approved the **refund of the \$486.64 pro-rated rental.**

SPECIAL USE LEASE AGREEMENT NO. 1312 (REFUND OF RENTAL)

SULA 1312 was canceled on the September 28, 2007, Director's Minutes because the land was sold under Certificate of Sale No. 24759. The effective date of the certificate of sale is October 1, 2007. The lessee, Washington City, 111 North 100 East, Washington, UT 84780, paid the full rental on June 1, 2007. **The pro-rated rental of \$8,820.00 needs to be refunded to the City.** Washington County. School Fund.

Upon recommendation of Mr. Lou Brown, the Director approved the **refund of the \$8,820.00 pro-rated rental.**

ACTIONS CONTAINING FEE WAIVERS

NONE

TRUST ACCOUNTING ACTIONS

CANCELED EASEMENT CONTRACTS

The following easement contracts were not paid on or before the cancellation date of 2/11/2008. Certified notices were mailed.

<u>LEASE #</u>	<u>LESSEE NAME</u>	<u>BENE</u>	<u>COUNTY</u>	<u>TYPE</u>
ESMT 181	USPCI	SCH	TOOL	ROW
ESMT 205	Marvin and Louise Sims	SCH	GRND	ROW
ESMT 248	William Ferguson	SCH	SANJ	ROW
ESMT 376	XTO Energy Inc.	SCH	EMRY	ROW

Upon recommendation of Mr. Gritzmacher, Budget Manager, the Director approved the cancellation of the above-listed easement permits for non-payment.

CANCELED MODIFIED GRAZING PERMIT

The following modified grazing permit was not paid on or before the cancellation date of 2/11/2008. A certified notice was mailed.

<u>LEASE #</u>	<u>LESSEE NAME</u>	<u>BENE</u>	<u>COUNTY</u>	<u>TYPE</u>
MGP 16	Kenneth Bates	SCH	SANJ	MGP

Upon recommendation of Mr. Gritzmacher, Budget Manager, the Director approved the cancellation of the above-listed modified grazing permit for non-payment.

CANCELED MINERAL LEASES

The following mineral leases were not paid on or before the cancellation date of 2/11/2008. Certified notices were mailed.

<u>LEASE #</u>	<u>LESSEE NAME</u>	<u>BENE</u>	<u>COUNTY</u>	<u>TYPE</u>
ML 49580	Fletcher Kerby	SCH	SANJ	MM
ML 49582	Fletcher Kerby	SCH	SANJ	MM
ML 50173	Fehr, George D.	MH	CARB	MM
ML 50176	Fehr, George D.	SCH	WAYN	MM
ML 50177	Fehr, George D.	SCH	WAYN	MM
ML 50178	Fehr, George D.	SCH	GARF	MM
ML 50572	H&B Mining, Inc.	SCH	GRND	HS

Upon recommendation of Mr. Gritzmacher, Budget Manager, the Director approved the cancellation of the above-listed mineral leases for non-payment.

CANCELED RIGHT OF WAY PERMITS

The following right of way permits were not paid on or before the cancellation date of 2/11/2008. Certified notices were mailed.

<u>LEASE #</u>	<u>LESSEE NAME</u>	<u>BENE</u>	<u>COUNTY</u>	<u>TYPE</u>
ROW 640	Emery Telecom	SCH	CARB	ROW
ROW 828	Pacific Power & Light Co.	SCH	DAGT	ROW
ROW 1191	Burke Seegmiller	SCH	WASH	ROW
ROW 1308	Silliman Ranches	SCH	GRND	ROW
ROW 1391	Northwest Pipeline Corporation	SCH	GRND	ROW
ROW 1566	Soldier Canyon Water Co.	SCH	TOOL	ROW
ROW 2176	Dominion Exploration & Production Inc.	SCH	UINT	ROW
ROW 2794	Town of Goshen	SCH	UTAH	ROW
ROW 2854	Nevada Power Company	SCH	MLRD	ROW
ROW 3226	Chevron Pipeline Company	SCH	UINT	ROW
ROW 3448	Kerby, JE	SCH	GRND	ROW

Upon recommendation of Mr. Gritzmacher, Budget Manager, the Director approved the cancellation of the above-listed right of way permits for non-payment.

CANCELED SPECIAL LEASE AGREEMENT

The following special lease agreement contract was not paid on or before the cancellation date of 2/11/2008. A certified notice was mailed.

<u>LEASE #</u>	<u>LESSEE NAME</u>	<u>BENE</u>	<u>COUNTY</u>	<u>TYPE</u>
SLA 146	El Paso E&P Company LP	UDOT	DUCH	OGH

Upon recommendation of Mr. Gritzmacher, Budget Manager, the Director approved the cancellation of the above-listed special lease agreement for non-payment.

PAID CERTIFICATES OF SALE

<u>CERT #</u>	<u>NAME</u>	<u>BENE</u>	<u>DATE PAID</u>
C 24584	Chris Roberts	SCH	2/27/2008
C 24852	Jacob Stevens	SYDC	2/25/2008

INTEREST RATES

Following are the current and past year prime rates:

CURRENT YEAR:	6.00%
ONE YEAR AGO:	8.25%